

## Message Text

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70

ORIGIN EB-07

INFO OCT-01 EUR-12 IO-13 ISO-00 AGR-05 SS-15 STR-04 TRSE-00

COME-00 LAB-04 SIL-01 CEA-01 CIAE-00 DODE-00 FRB-03

H-02 INR-07 INT-05 L-03 NSAE-00 NSC-05 PA-01 AID-05

CIEP-01 ITC-01 PRS-01 SP-02 OMB-01 FEA-01 NSCE-00

SSO-00 USIE-00 INRE-00 /101 R

DRAFTED BY EB/OT/TA:TFO'HERRON:JVM

APPROVED BY EB/OT/TA:DJ DUNFORD

USDA:JREIS S/S-O:DL MACK

USDA:JBESHOR

STR:JSTARKEY

TREASURY:JRAY

OMMERCE:FMONTGOMERY LAB

EUR/RPE:AALBRECHT

E:RASOR SON

----- 084224

O R 310109Z JUL 76

FM SECSTATE WASHDC

TO AMEMBASSY PARIS IMMEDIATE

INFO USMISSION EC BRUSSELS

USMISSION GENEVA

USDEL MTN GENEVA

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E.O. 11652: N/A

TAGS: ETRD, EAGR, EC, FR

SUBJECT: POULTRY/COGNAC

REF: PARIS 20070

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1. FEDERAL REGISTER OF AUGUST 2 WILL CARRY NOTICE

FROM STR PROPOSING ROLLBACK OF PRICEBREAK FOR DUTY FROM 17 DOLLARS TO 9 DOLLARS AS A RESULT OF FAILURE OF EC TO END UNREASONABLE RESTRICTIONS ON IMPORTS OF U.S. POULTRY, INVITING INTERESTED PARTIES TO COMMENT, AND, IF ANY PARTY REQUESTS A HEARING, TO ATTEND A HEARING ON THE PROPOSAL ON SEPTEMBER 1. (TEXT OF NOTICE BEING PROVIDED SEPTTEL.) WHILE NOTICE IS NECESSARY CONDITION FOR DECISION TO ROLLBACK PRICEBREAK, IT IS NOT INTENDED TO MARK END OF THE ROAD IN OUR EFFORTS TO SOLVE THE POULTRY/COGNAC PROBLEM. FINAL DECISION TO ROLL BACK PRICEBREAK HAS NOT YET BEEN TAKEN, BUT UNLESS THERE ARE CONCRETE STEPS TO SOLVE THE POULTRY PROBLEM BY MID SEPTEMBER, ROLLBACK IS INEVITABLE.

2. IN REPLY TO DEMOREL'S QUESTION (PARIS 20070 AND 21480), PROPOSED MODIFICATION OF FRENCH SANITARY REGULATION ON POULTRY WOULD BE WELCOME STEP IN RIGHT DIRECTION. HOWEVER, THIS CHANGE ALONE WILL DO VERY LITTLE, IF ANYTHING, TO INCREASE U.S. ACCESS TO FRENCH POULTRY MARKET SO LONG AS PRESENT EC IMPORT RESTRICTIONS REMAIN. DEPARTMENT OFFICIAL MADE THIS POINT TO BOSSON ON JULY 22, AND HE UNDERTOOK TO RELAY IT TO APPROPRIATE GOF OFFICIALS, INCLUDING DEMOREL.

3. EMBASSY REQUESTED TO INFORM DEMOREL THAT U.S. IS PREPARED TO MAINTAIN PRICEBREAK AT 17 DOLLARS LEVEL ON BASIS OF FOLLOWING POINTS WHICH WERE DISCUSSED IN DENT/BARRE AND DENT/DEMOREL MEETINGS HERE.

A. EC AGREEMENT TO QTE TECHNICAL CHANGES UNQTE IN THE POULTRY REGULATION IN ORDER TO PROVIDE IMPROVED CONDITIONS OF ACCESS FOR U.S. TURKEY AND TURKEY PARTS.

B. A COMMITMENT BY THE GOVERNMENT OF FRANCE TO USE THEIR BEST EFFORTS WITHIN THE EC TO ENSURE THAT THE IMPORT CHARGES ON TURKEY AND TURKEY PARTS ARE NOT INCREASED (ABOVE LEVELS AT TIME OF DENT/BARRE CONVERSATION) PENDING A DEFINITIVE RESOLUTION OF THE POULTRY PROBLEM IN THE MTN.  
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C. MODIFICATION OF THE FRENCH SANITARY REGULATION.

4. REDUCTION IN JUNE OF EC SUPPLEMENTARY LEVIES ON TURKEY THIGHS AND ELIMINATION OF LEVY ON HALVES AND QUARTERS WAS SEEN WASHINGTON AS HOPEFUL SIGN, BUT CHANGES IN VARIABLE LEVY ANNOUNCED JULY 20 AND EFFECTIVE AUGUST 1 SOMEWHAT OFFSET THOSE CHANGES, UNDERLINING

THE NECESSITY FOR EC AGREEMENT ON TECHNICAL  
CHANGES. WE REMAIN HOPEFUL THAT THE THREE STEPS WE  
HAVE OUTLINED WILL BE TAKEN AND THAT IT WILL NOT  
BE NECESSARY TO ROLLBACK THE PRICE ON COGNAC.  
5GUIDE AND CHENU OF FRENCH EMBASSY CALLED ON DEPUTY  
ASSISTANT SECRETARY GEIMER JULY 30 AND INDICATED THAT  
FRENCH WERE PREPARED TO MOVE ON POINTS A AND B OF  
PARAGRAPH 3 ABOVE, BUT WERE UNABLE TO CHANGE FRENCH  
SANITARY REGULATIONS. FRENCH URGED USG NOT TO PUBLISH  
NOTICE (PARA 1). BY TIME MEETING ENDED, PROCESS OF  
PUBLICATION OF FEDERAL REGISTER NOTICE WAS IRREVOCABLE.  
GEIMER CALLED CHENU AND ASSURED HIM THAT PUBLICATION DID  
NOT IMPLY THAT U.S. WOULD NOT GIVE SERIOUS CONSIDERATION  
TO FRENCH OFFER. CHENU SAID THAT HE WOULD RECOMMEND  
TO PARIS THAT FRENCH OFFER REMAIN ON TABLE. KISSINGER

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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
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**Copy:** SINGLE  
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**Disposition Approved on Date:**  
**Disposition Authority:** ShawDG  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
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**Disposition Remarks:**  
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